

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION RECEIVED
WASHINGTON, D.C. 20268-0001

JAN 22 4 57 PM '98

OFFICE OF THE CLERK

Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE NEWSPAPER ASSOCIATION OF AMERICA WITNESS DONLAN
(USPS/NAA-T2-5-6)

Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Newspaper Association of America witness Donlan: USPS/NAA-T2-5-6.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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January 22, 1998

USPS/NAA-T2-5. Please refer to your testimony at page 1, lines 22-24. You state that you, "conclude that the proposed increases in the presort discounts are not justified and [you] recommend that the Commission maintain current discounts for these categories of mail."

- a. Please refer to Attachment 1 to this interrogatory. Please confirm that Attachment 1 embodies your recommended discounts, i.e., the maintenance of the current discounts for ECR. If not confirmed, please explain.
- b. Please confirm the accuracy of Attachment 1. If not confirmed, please explain your response.
- c. Please attach a copy of Attachment 1 to your response or, if you do not confirm subpart (b), please attach a corrected copy of Attachment 1.
- d. Please refer to Attachment 2 to this interrogatory. Please confirm that Attachment 2 shows the effective proposed rates using your recommendation that the Commission maintain the current discounts for ECR. If not confirmed, please explain.
- e. Please attach a copy of Attachment 2 to your response or, if you do not confirm subpart (d), please attach a corrected copy of Attachment 2.

USPS/NAA-T2-6. Please refer to page 12 lines 20-21 of your testimony. You state, "the analytical approach used by the Postal Service accounts for DPS-related mail processing costs but ignores offsetting delivery cost savings."

- a. Please confirm that your statement applies only to letter shaped mail. If not confirmed, please explain.

- b. Please confirm that your statement applies only to letter shaped mail that is "automation compatible," *i.e.*, capable of being processed on automation equipment. If not confirmed, please explain.
- c. Please confirm that in order for the Postal Service to receive any savings in delivery for ECR Basic letters that are processed on automation, such pieces must be successfully barcoded, if they are not already correctly customer barcoded. If you do not confirm, please explain.
- d. Please confirm that in order for the Postal Service to receive any savings in delivery for ECR Basic letters that are processed on automation, such pieces must be successfully sequenced on delivery barcode sorters. If you do not confirm, please explain.
- e. Please confirm that ECR Basic letters that are successfully sequenced on automation to delivery sequence consist of only a subset of ECR Basic letters. If not confirmed, please explain.

Moeller WP1, page 18. Presort discounts held at current value.

**ENHANCED CARRIER ROUTE SUBCLASS
DEVELOPMENT OF PRESORT AND AUTOMATION DISCOUNTS**

Item	MP + Del Unit Cost (Cents) (1)	Differential (Cents) (2)	Discount (4)	Cumulative Discount (Cents) (5)	Pieces (Millions) (6)	Value (Millions) (7)
Nonletters:						
1 Basic	10.3844	—	—	—	10706.608	—
2 High Density	7.5692	2.8152	0.8	0.8	1150.761	9.206
3 Saturation	5.9082	1.6610	1.0	1.8	8172.668	147.108
4 Subtotal	—	—	—	—	20030.037	156.314
Letters:						
5 Basic	6.8745	3.5099	0.0	0.0	6781.043	0.000
6 Automated	6.2687	0.6058	0.7	0.7	2123.223	14.863
7 High Density	4.7640	2.1105	0.8	0.8	394.077	3.153
8 Saturation	3.8560	0.9080	0.9	1.7	3095.861	52.630
9 Letter Discount				0.0	3489.938	0.000
10 Subtotal					12394.204	70.645
11 Total					32424.241	226.959

(1) Page 10

(2) Difference between relevant cost figures in Col (1)

(5) Cumulative discount for that category.

(6) Page 4

(7) Col (5) * Col (6)

Moeller WP1, page 31. Effective rates if ECR presort discounts held constant.

Standard Mail (A) - Enhanced Carrier Route

Proposed Rates (\$)

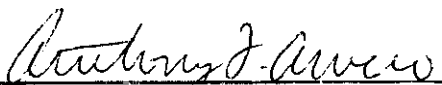
Minimum per piece rates				
Density tier	Shape	current	proposed	%chg
Basic	Letter	0.150	0.162	8.0%
	Automation	0.146	0.155	6.2%
	Nonletter	0.155	0.162	4.5%
High-Density	Letter	0.142	0.154	8.5%
	Nonletter	0.147	0.154	4.8%
Saturation	Letter	0.133	0.145	9.0%
	Nonletter	0.137	0.144	5.1%

Pound-rated pieces			
Density Tier		current	proposed
Basic	per piece	0.018	0.053
	per pound	0.663	0.530
High Density	per piece	0.010	0.045
	per pound	0.663	0.530
Saturation	per piece	0.000	0.035
	per pound	0.663	0.530

Destination Entry Discounts			
Piece-rated pieces		current	proposed
		per piece	per piece
	DBMC	0.013	0.015
	DSCF	0.018	0.018
Pound-rated pieces	DDU	0.023	0.023
		current	proposed
		per pound	per pound
	DBMC	0.064	0.072
	DSCF	0.085	0.088
	DDU	0.111	0.110

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Anthony F. Alverno

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